



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

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June 28, 2016

Helen Ordway
Alon Bakersfield Refinery
6451 Rosedale Highway
P.O. Box 1551
Bakersfield, CA 93308

Dear Ms. Ordway,

This letter is written as follow up to the meeting we had at your facility on June 22, 2016. Thank you for taking the time to meet with me to discuss issues pertaining to the injection wells (Red Ribbon WD-1; WD-2, WD-3, and WD-7) currently operating under a Waste Discharge Requirements (WDR) permit issued by the Central Valley Regional Water Quality Control Board (Order No. 91-102).

Key Points from Meeting:

The Alon Bakersfield Refinery uses these wells to inject a waste stream consisting of process waters generated from refinery units at the plant. The wells are currently injecting into the Santa Margarita Formation within the Fruitvale Oil Field at a depth of approximately 4,350' below ground surface.

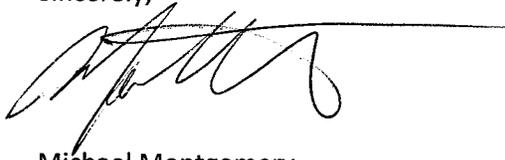
In consultation with the CA Division of Oil, Gas, and Geothermal Resources (DOGGR), EPA determined that the current injection zone, the Santa Margarita Formation within the Fruitvale Oil Field, is included in the Class II Aquifer Exemption area that was established when EPA granted California primacy for Class II injection wells within the state. As an exempt aquifer, it is not considered an Underground Source of Drinking Water (USDW), and does not require an aquifer exemption.

In November 2014, EPA issued a Notice of Deficiency (NOD) as part of our technical review of Alon's 2011 UIC Permit Application. The technical issues identified in the NOD remain outstanding, and Alon should either revise or supplement its application to address these issues. The revised/supplemented application should also update any technical information, such as injection volumes, waste front calculations, etc. since 2011, and include sufficient detail for any proposed new injection wells. Please let us know if you will not be able to submit your revised/supplemental application by August 15, 2016.

It is EPA's understanding that once EPA issues a final Class I Non Hazardous UIC Permit for injection wells at the site, the Central Valley Regional Water Quality Control Board plans to rescind the current WDR permit (Order No. 91-102) and the injection wells at the site will operate solely under the EPA-issued Class I UIC Permit.

We look forward to receiving your revised/supplemental Class I Non Hazardous UIC Permit application. If you have any questions related to preparation of the permit package, or questions regarding the content of this letter, please call David Albright, Manager of the Drinking Water Protection Section, at (415) 972-3971.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Montgomery', with a long horizontal line extending to the right.

Michael Montgomery
Assistant Director, Water Division

cc: Ken Harris, State Oil and Gas Supervisor, CA DOGGR
Jonathan Bishop, Chief Deputy, CA SWRCB
Clay Rodgers, Central Valley Regional Water Quality Control Board